

## **Executive Summary – Transylvania County**

The Asheville Regional Housing Consortium area, consisting of Buncombe, Henderson, Madison and Transylvania Counties, and certain local governments within these counties, has varied and significant housing problems. Most relate to housing affordability.

Transylvania County has seen a spur of activity over the past several years. It most noticeably experienced significant population and household growth in the 1990s. The county trailed only Henderson County in the rate of household growth, marking its appeal as a retirement destination for wealthy empty nesters and baby boomers purchasing second homes. As a result, it shared the highest median residential sales price in 2004 (\$170,000) with Henderson County and similarly showed a slight increase in the number of households making \$50,000 and greater. However, Transylvania County is not projected to experience significant growth in the next five years due to limited available land. The federal government owns approximately half of the County's land and an additional five percent of the land lies within floodplain areas, which are not developable. Thus, in recent years, the remaining available land has climbed tremendously in price, which in turn is reflected in the cost of homes.

The Consortium region is a recognized tourism center and a retirement location of growing popularity. Five percent of the housing stock (8,334 units) is held as second homes for occasional use by residents of other regions. Twenty-nine percent (2,416) of these seasonal units are located in Transylvania County. The price competition from retirees and second-home buyers, coupled with the high land and construction costs related to the region's mountainous terrain, has led to high housing prices and rents. Reflecting current rent levels, the U.S. Department of Housing and Urban Development (HUD) has established Fair Market Rents (FMRs) as follows:

**2004 Fair Market Rents**

<b>Unit Type</b>	<b>Transylvania County</b>
Efficiency	\$320
One Bedroom	\$445
Two Bedrooms	\$493
Three Bedrooms	\$622
Four Bedrooms	\$656

Affording the Transylvania County FMR for a two-bedroom unit requires a wage of \$9.48 per hour for a single earner working 40 hours per week. Many important jobs pay much less than \$9.48 per hour, including:

Occupation	Average Wage
Cashiers	\$7.19
Home Health Aides	\$9.15
Cooks, Restaurants	\$7.79
Maids & Housekeeping Cleaners	\$8.06
File Clerks	\$7.66
Stock & Freight Laborers	\$8.10
Recreation Workers	\$8.35

A worker earning minimum wage would need to work 74 hours per week to afford that same two-bedroom unit in Transylvania County. While many single persons and single parents work two or more jobs to be able to afford housing, most low-income households end up paying more than they can afford for housing.

HUD defines three categories of low-income households adjusted for household size:

- Extremely-low-income households with incomes equal to 30 percent or less of the Area Median Family Income (AMI) (up to \$15,350 for a family of four);
- Very-low-income households with incomes of 31 to 50 percent of AMI (between \$15,351 to \$25,600 for a family of four); and
- Low-income households with incomes of 51 to 80 percent of AMI (between \$25,601 to \$40,950 for a family of four).

Based on local incomes and current mortgage interest rates, a three-person very-low-income household could afford to spend no more than \$576 per month for rent and utilities or for mortgage principal, interest, taxes and insurance. This reflects HUD's affordability standard of spending no more than 30 percent of household income for gross housing costs. The FMR for a two-bedroom unit is under the maximum affordable gross rent; the three-bedroom unit's FMR is 8 percent higher. A survey of rental development in the county reveals, however, that current rental market rates are more than the FMR. The median sale price for a three-bedroom house is more than double the household's maximum affordable price.

**Gap Between Market and Affordable Gross Rents**

	Extremely-Low-Income Households	Very-Low-Income Households	Low-Income Households
Maximum Income	\$13,800	\$23,000	\$36,800
Maximum Gross Rent	\$345	\$576	\$921
Fair Market Rent			
Two Bedrooms	\$493	\$493	\$493
Three Bedrooms	\$622	\$622	\$622
FMR as Percent of Maximum Affordable Rent			
Two Bedrooms	143%	86%	54%
Three Bedrooms	180%	108%	67%

**Gap Between Market and Affordable Sales Prices**

	Extremely-Low-Income Households	Very-Low-Income Households	Low-Income Households
Maximum Income	\$13,800	\$23,000	\$36,800
Maximum Housing Price*	\$50,387	\$84,162	\$134,549
Median Sale Price			
Three Bedrooms	\$177,750	\$177,750	\$177,750
Median Sale Price as Percent of Maximum Affordable Price	352%	211%	132%

\*Assumes a 10-percent downpayment, a 6.5-percent mortgage interest rate and a 0.25-percent private mortgage insurance premium.

The significant gap between market rent/price levels and affordable levels is evidenced by housing problem data from the 2000 U.S. Census. Shown in HUD Table 1 on the following page, 61 percent of Transylvania County's extremely low-income households reported housing problems, including 60 percent with cost burdens of 30 percent or more. This includes 517 extremely-low-income households with severe cost burdens, where the household pays one-half or more of their income for housing. Other housing problems include overcrowding and units with physical defects, primarily lacking complete plumbing facilities. Though at a lesser rate than extremely-low-income households, 527 (41 percent) very-low-income households had housing problems, including 17 percent with severe cost burdens. Twenty-eight percent of low-income households had housing problems, including 7 percent spending one-half or more of their income for housing. In general, renters have more housing problems than homeowners, but this is not always true in the extremely-low-income group.

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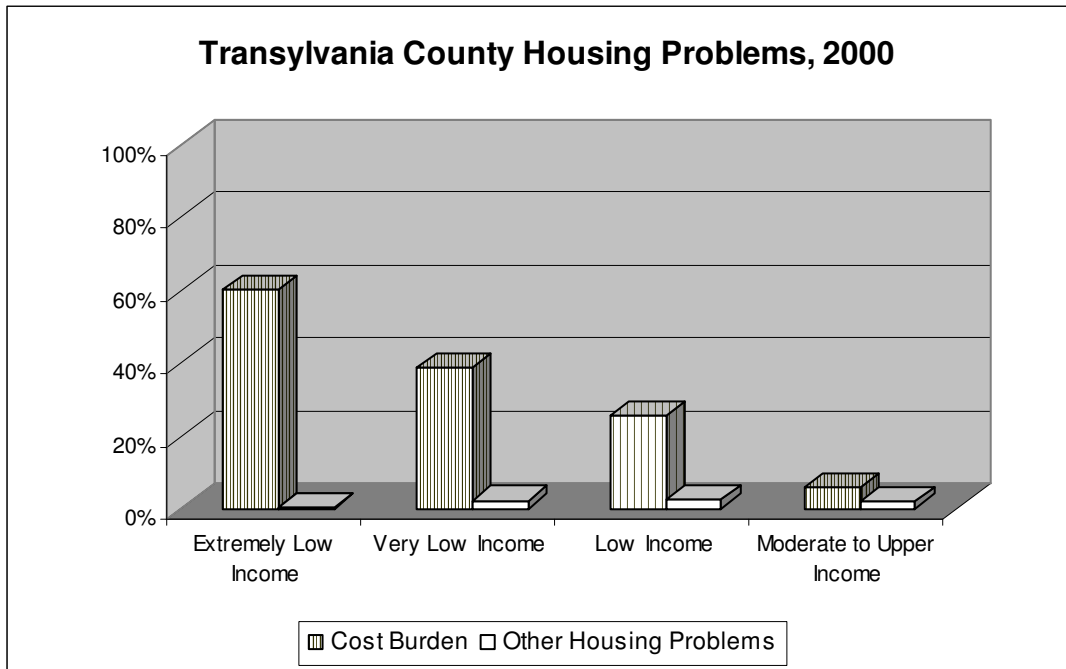
**(HUD Table 1): Housing Assistance Needs of Transylvania County, 2000**

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Households by Type, Income, and Housing Problem	Renters					Owners			Total Housholds
	Elderly Households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	
<b>Extremely Low &amp; Very Low Income</b>	<b>207</b>	<b>-</b>	<b>382</b>	<b>334</b>	<b>975</b>	<b>916</b>	<b>596</b>	<b>1,512</b>	<b>2,487</b>
<b>Extremely Low Income (0% to 30% AMI)</b>	<b>104</b>	<b>233</b>	<b>18</b>	<b>169</b>	<b>524</b>	<b>418</b>	<b>260</b>	<b>678</b>	<b>1,202</b>
Percent with any Housing Problems	62%	74%	78%	41%	61%	64%	54%	60%	61%
Percent with Cost Burden > 30%	62%	74%	78%	41%	61%	64%	53%	60%	60%
Percent with Cost Burden > 50%	33%	74%	78%	39%	55%	29%	42%	34%	43%
<b>Very Low Income (31% to 50% AMI)</b>	<b>103</b>	<b>149</b>	<b>34</b>	<b>165</b>	<b>451</b>	<b>498</b>	<b>336</b>	<b>834</b>	<b>1,285</b>
Percent with any Housing Problems	23%	50%	100%	49%	47%	28%	51%	37%	41%
Percent with Cost Burden > 30%	23%	50%	41%	49%	43%	28%	49%	36%	39%
Percent with Cost Burden > 50%	10%	13%	0%	18%	13%	11%	30%	19%	17%
<b>Low Income (51% to 80% AMI)</b>	<b>124</b>	<b>305</b>	<b>28</b>	<b>255</b>	<b>712</b>	<b>795</b>	<b>846</b>	<b>1,641</b>	<b>2,353</b>
Percent with any Housing Problems	27%	21%	29%	20%	22%	22%	39%	31%	28%
Percent with Cost Burden > 30%	27%	15%	14%	20%	19%	22%	34%	28%	25%
Percent with Cost Burden > 50%	8%	3%	0%	0%	3%	9%	8%	9%	7%
<b>Moderate to Upper Income (80% and greater AMI)</b>	<b>125</b>	<b>425</b>	<b>40</b>	<b>264</b>	<b>854</b>	<b>2,314</b>	<b>4,299</b>	<b>6,613</b>	<b>7,467</b>
Percent with any Housing Problems	8%	9%	0%	2%	6%	6%	9%	8%	8%
Percent with Cost Burden > 30%	8%	4%	0%	0%	3%	5%	6%	6%	6%
Percent with Cost Burden > 50%	0%	0%	0%	0%	0%	2%	1%	1%	1%
<b>Total Households<sup>1</sup></b>	<b>456</b>	<b>1,112</b>	<b>120</b>	<b>853</b>	<b>2,541</b>	<b>4,025</b>	<b>5,741</b>	<b>9,766</b>	<b>12,307</b>
Percent with any Housing Problems	29%	32%	47%	24%	29%	18%	18%	18%	20%

Note: <sup>1</sup>Includes all income groups - including those above 80% of AMI.

Source: Comprehensive Housing Affordability Strategy Datebook; Bay Area Economics, 2004



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While many of the newcomers possess the purchasing power to afford more expensive homes, this creates an increasing hardship on the existing population, especially with the recent job losses in the manufacturing sector. Although Transylvania County has permitted a number of mobile homes since 2000, it did not have any recorded permits of multifamily housing during this time period nor in the preceding five years. However, the data did not capture the 20-unit Excelsior Apartments constructed in the mid-1990s nor the 76 units of rental housing in two tax credit projects that started construction in Brevard early in 2005. Despite the County's low percentage of those with housing problems compared to the Consortium, there still exists an unmet housing need among residents that needs to be addressed. Transylvania County encompasses 6.2 percent of the Consortium's total unmet housing needs. Defining the need for assisted housing based on housing problems and cost burdens would identify a need for the following number of units at rents/prices affordable at the three income levels.

### Unmet Need for Affordable Units

	Extremely-Low-Income Households	Very-Low-Income Households	Low-Income Households	Total
Rental Units				
For Households with Housing Problems	320	210	160	690
For Households with Severe Cost Burdens	290	60	20	370
Owners				
For Households with Housing Problems	410	310	500	1220
For Households with Severe Cost Burdens	230	150	140	520

### Special Needs Populations

Beyond the general need for affordable housing, some populations have special needs for specialized housing and/or supportive services, focused on four groups:

- Elderly
- Frail elderly
- Persons with physical disabilities
- Persons with mental disabilities

Transylvania County's supply of assisted housing addresses these needs but falls short, leaving significant unmet housing needs.

(HUD Table 2A): Priority Needs Summary Table					
Priority Housing Needs (households)		Percentage of Area Median Income (AMI)	Priority Needs Level (High, Medium, Low)	Unmet Needs	Goals*
Renter Households	Small Related	0% to 30% of AMI		172	
		31% to 50% of AMI		75	
		51% to 80% of AMI		64	
	Large Related	0% to 30% of AMI		14	
		31% to 50% of AMI		34	
		51% to 80% of AMI		8	
	Elderly	0% to 30% of AMI		65	
		31% to 50% of AMI		24	
		51% to 80% of AMI		34	
	All Other	0% to 30% of AMI		69	
		31% to 50% of AMI		81	
		51% to 80% of AMI		51	
Non-Elderly Owner Households		0% to 30% of AMI		140	
		31% to 50% of AMI		171	
		51% to 80% of AMI		330	
Special Populations**		0% to 80% of AMI		748	
Total Goals					
**Includes elderly households					

### Barriers to Affordable Housing

Among the barriers to affordable housing specific to Transylvania County are:

- High land and construction costs related to topography and the limited supply of developable land;
- Lack of public water and sewer service to developable sites;
- The high per-unit cost of making rental housing affordable for extremely-low and very-low-income groups, coupled with declining federal funding.
- Limited multi-family housing construction, and;
- Predatory lending

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